

**SYSTEM, METHOD, AND COMPUTER PROGRAM PRODUCT
FOR USE OF LATTICES IN VALUING OPTIONS**

ABSTRACT OF THE DISCLOSURE

A system, method, and computer program product for pricing options which involve more than one underlying asset. The method employs a lattice approach by extending current trinomial techniques to higher dimensions, while achieving a maximum economy of nodes. Such economy produces computational advantages in terms of faster execution speed and the utilization of less memory resources. The method evaluates options under a general form (i.e., Brownian motion) where parameters may depend on time and price, and accounts for drift and volatility parameters.

A284-18.wpd